

Message Text

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PAGE 01 TUNIS 07806 201456Z

47

ACTION XMB-04

INFO OCT-01 NEA-06 ISO-00 EB-07 COME-00 TRSE-00 CIAE-00

INR-05 NSAE-00 RSC-01 MC-01 ACDA-05 DOTE-00 EUR-12

/042 W

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R 201410Z DEC 74

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 7762

INFO AMEMBASSY RABAT

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RABAT FOR CAA

E.O. 11652: N/A

TAGS: EAIR, EXIM, TS

SUBJ: PURCHASE OF BOEING 727

REF: TUNIS 7680

1. FINANCIAL DIRECTOR YOUSSEF AMMAR OF TUNIS AIR ASKED EMBASSY TO OBTAIN GENERAL IDEA OF TERMS OF POSSIBLE EXIMBANK FINANCING FOR PURCHASE OF BOEING 727 REPORTED REFTEL. AMMAR ALSO STATED THAT HE RECENTLY SENT TELEX TO BOEING ASKING IT TO SEEK BEST POSSIBLE FINANCING ARRANGEMENTS. TUNIS AIR WOULD HOPE THAT EXIM CAN PICK UP 1/3 OF \$9 MILLION PURCHASE PRICE OF AIRCRAFT WITH 1/3 BEING PAID IN CASH BY TUNIS AIR AND REMAINING 1/3 FINANCED BY POOL OF TUNISIAN DOMESTIC BANKS. LATTER TWO-THIRDS WOULD PRESUMABLY AMOUNT TO IMMEDIATE CASH PAYMENT IN FOREIGN EXCHANGE TO BOEING. AMMAR ASKED SPECIFICALLY WHAT INTEREST RATE WOULD BE, REPAYMENT PERIOD, AND POSSIBLE EXIM CONDITIONS, SUCH AS GOT OR CENTRAL BANK GUARANTY. HE NOTED DIFFERENCES OVER GUARANTY ONE OF REASONS WHY GOT HAD NOT TAKEN ADVANTAGE OF EXIMBANK LOAN FOR EARLIER BOEING. WE WOULD APPRECIATE EARLY

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PAGE 02 TUNIS 07806 201456Z

REPLY WE CAN PASS ON TO AMMAR.

2. IN FURTHER DISCUSSION WITH AMMAR REGARDING TUNIS AIR EXPANSION PLANS, HE NOTED THAT TUNIS AIR MOST ANXIOUS DISPOSE OF 4 PRESENT TOTALLY UNECONOMIC CARAVELLES BUT IS UNABLE LOCATE SUITABLE BUYERS FOR AIRCRAFT. THREAT OF INTERNAL CRITICISM PREVENTS TUNIS AIR FROM OBTAINING OPTIMUM REPLACEMENT SHORT-RANGE JET AIRCRAFT, SUCH AS DC-9 OR BOEING 737, UNLESS IT CAN SELL CARAVELLES AT REASONABLY HIGH PRICE. AMMAR ASKED WHETHER EMBASSY KNEW OF ANY US AIRLINE THAT MIGHT BE INTERESTED IN CARAVELLES. EMBOFF TOLD AMMAR THAT HE KNEW OF NO SUCH DEMAND AND PERSONALLY FELT MARKET FOR USED CARAVELLES NOT VERY PROMISING.

3. AMMAR ALSO NOTED THAT GOT STILL STUDYING VARIOUS POSSIBILITIES FOR WIDE BODY AIRCRAFT OF APPROXIMATELY 250 SEAT CAPACITY WHICH TUNIS AIR WILL REQUIRE IN ABOUT 1978. HE NOTED THAT OPTIMALLY TUNIS AIR WOULD LIKE AIRCRAFT WITH SUFFICIENT RANGE FOR JIDDA-TUNIS AND JERBA-LONDON NONSTOP. WHILE HE RECOGNIZED THAT FRENCH AIRBUS DOES NOT HAVE SUFFICIENT RANGE, HE INDICATED THAT CLOSE TIES WITH AIR FRANCE, HEAVY TRAFFIC PATTERN TOWARD FRANCE, AND OTHER CONSIDERATIONS ARE IN FAVOR OF AIRBUS. HE STRESSED , HOWEVER, THAT NO DECISION HAS YET BEEN MADE.
SEELYE

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Message Attributes

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